

# SENATE BILL REPORT

## ESSB 6560

---

As Amended by House, March 5, 2008

**Title:** An act relating to public utility district contracts.

**Brief Description:** Increasing public utility district bid limits.

**Sponsors:** Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Honeyford, Morton, Delvin and Swecker).

**Brief History:**

**Committee Activity:** Water, Energy & Telecommunications: 1/30/08, 2/08/08 [DPS, DNP].  
Passed Senate: 2/19/08, 44-3.

---

### SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

**Majority Report:** That Substitute Senate Bill No. 6560 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Delvin, Fraser, Oemig, Pridemore and Regala.

**Minority Report:** Do not pass.

Signed by Senators Holmquist and Morton.

**Staff:** Sam Thompson (786-7413)

**Background:** PUD Work Contracting. Public utility districts (PUDs) must contract for work estimated to cost over \$10,000 or work using material costing over \$50,000.

As an alternative to competitive bid contracting procedures, PUDs may use a small works roster procedure when contracting for public works estimated to cost \$200,000 or less. Under that procedure, PUDs must obtain quotations from contractors who have requested to be listed on a small works roster to assure that a competitive price is established and that a contract is awarded to the lowest responsible bidder.

PUD Materials Contracting. Generally, PUDs must contract to purchase over \$10,000 of items of one kind. They must also contract to purchase over \$5,000 of items of one kind in any calendar month.

PUDs may use an informal vendor list contracting procedure when purchasing material of one kind worth over \$10,000 and less than \$50,000. This procedure involves soliciting quotations from at least three vendors on a vendor list whenever possible to assure that a competitive price is established and that a contract is awarded to the lowest responsible bidder. PUDs

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

establish and revise vendor lists by publishing a notice, at least twice a year, soliciting vendors for inclusion on the list.

**Summary of Engrossed Substitute Bill:** PUD Work Contracting. The maximum estimated cost of work done by PUDs without contracting is raised to \$25,000, and the maximum cost of material used in work by PUDs without contracting is raised to \$150,000. An outdated provision concerning PUD contracting using the small works roster procedure is corrected and clarified.

PUD Materials Contracting. The maximum cost of items of one kind purchased without contracting is raised to \$15,000, and the maximum cost of items of one kind purchased in any calendar month without contracting is raised to \$7,500.

The minimum cost of items of one kind purchased using the vendor list contracting procedure is raised to \$15,000. The maximum cost of items of one kind purchased using that procedure is raised to \$60,000.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: There have been no increases since 1990 in the maximum cost of material used in work by PUDs without contracting, and the current limit of \$50,000 is far too low. A proposed increase to \$200,000 for that limit is based upon the pre-1990 figure of \$30,000, set in 1955, adjusted for inflation. For their own safety, PUD work crews need to be able to conduct more in-house work to refresh their knowledge, skills and abilities. Materials costs in recent years have increased far greater than inflation. The best elements of all three bills should be blended.

CON: Private contractors should do the work that PUD crews seek to do under the terms of this legislation. The proposed new limits on in-house work by PUDs apply to more than just "wire-running;" they apply to construction, plumbing, and other work. While inflation should be acknowledged, the increases proposed are too high and the effect is anti-competitive. Archaic provisions in existing law should be clarified and updated.

**Persons Testifying:** PRO: Senator Keiser; Andrew Munro, Sam Dees, Grant PUD; Bob Wittenburg, Skamania PUD; Bill Dobbins, Douglas PUD.

CON: Larry Stevens, National Electrical Contractors and Mechanical Contractors; Van Collins, Associated General Contractors.

**House Amendment(s):** Provides that vendor list contracting procedure limits apply on a per calendar month basis.